

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 IO-13 ISO-00 AID-05 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 AGRE-00 /106 W

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P 161335Z OCT 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC PRIORITY 7950

INFO USMISSION GENEVA PRIORITY

USMISSION OECD PARIS PRIORITY

C O N F I D E N T I A L CAIRO 14092

E.O. 11652: GDS

TAGS: EFIN CIEC OECD EG

SUBJECT: CIEC DISCUSSION ON DEBT

REF: (A) STATE 251805 (B) CAIRO 13907

1. IN FOLLOW-UP TO APPROACH REPORTED REF B, EMBOFF SPOKE WITH MOUNIR ZAHRAN, COUNSELOR IN OFFICE OF FONMIN FAHMY, WHO WILL LEAD EGYPTIAN TEAM TO PARIS CIEC DEPT DISCUSSION.

2. COPY OF TALKING POINTS CONTAINED REF A WAS PROVIDED, BUT ZAHRAN'S FAMILIARITY WITH SUBJECT AND DIFFERING POSITIONS MADE BASIC EXPLANATION UNNECESSARY. STRESS WAS PLACED ON US/EC DESIRE NOT TO HAVE THEIR PROPOSAL CONSIDERED AS A BARGAINING PLOY, BUT AS THE RESULT OF SERIOUS STUDY, REPRESENTING ACTUAL POSITION.

3. ZAHRAN POINTED OUT DIFFICULTY EGYPT FACES IN DEBT DISCUSSIONS, NOT ONLY IN TERMS OF ITS OWN PROBLEM BUT IN ITS RELATIONS WITH OTHER LDCS, WHENEVER IT TRIES TO TAKE A MODERATE STAND. HE SAID HIS INSTRUCTIONS ARE TO BE "REASONABLY REASONABLE", BUT TO KEEP "EGYPT'S INTERESTS" AT THE FORE. IN RESPONSE

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TO QUESTION AS TO HOW HE INTERPRETED THESE GUIDELINES,

ZAHARAN SAID HE WOULD DO EVERYTHING WITHIN REASON TO LIGHTEN EGYPT'S DEBT BURDEN (AND THOSE OF OTHER LDCS) WITHOUT JEOPARDIZING DIALOGUE WITH DC OR CONTINUED FLOW OF ASSISTANCE AND CREDIT. HE AGREED HE HAD A DIFFICULT TASK.

4. COMMENT: EMBASSY HAS FOUND ZAHARAN TO BE A CAPABLE AND EFFECTIVE DIPLOMAT WITH GOOD ACCESS TO SENIOR MFA OFFICIALS. HE HAS ALWAYS BEEN HELPFUL TO US, AND SHOULD BE AN EXCELLENT CONTACT FOR USDEL AT CIEC, WITH WHOM WE UNDERSTAND HIS RELATIONS HAVE BEEN GOOD. WITH TAHT SAID, HOWEVER, EGYPT'S INTERESTS ARE DIFFERENT FROM OUR OWN ON THIS SUBJECT.  
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## Message Attributes

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